

*Testimony before the Michigan State House of Representatives, Committee on  
Intergovernmental, Urban and Regional Affairs*

*By*

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Good Morning Chairwoman Byrum and honorable Representatives. I am Jonathan P. Bradford. I am the Chief Executive Officer of the Inner City Christian Federation, or more commonly called ICCF; we are located in Grand Rapids. ICCF is the oldest not-for-profit housing development corporation in the State of Michigan, having been founded in 1974.

Thank you for inviting me to join you here today and share with you some observations about urban Michigan. Indeed, it is a topic about which I care a great deal. I have never lived anywhere but in cities, the last 38 of them in Grand Rapids. I hold a masters degree in Housing and Community Development Policy and Planning from the University of Michigan, School of Social Work. I have been in my current position for 26 years.

In preparing my comments, I decided that you did not need a bill of complaints about life in urban Michigan. Because you probably have access to this material more easily than I, I really don't think you need me to recite a blizzard of grim statistics. Obviously this is not to say that we face no serious challenges. But Representatives, that is not the true story of the people of Michigan. Sure we are rowing against a stiff current of economic challenges, but I want you to know there are thousands, really even hundreds of thousands of motivated people who are working hard to improve themselves and hundreds of thousands more caring and generous people who are assisting toward the goal of enabling the success of their neighbors.

First this morning I want to share with you just a little bit of the exciting and gratifying story of ICCF. It is a story worth hearing because not only should it be celebrated, it is being replicated and it needs to be further reproduced around our great state. Then I would like to share with you a bit of the hopes and wishes of people that we are privileged to serve.

ICCF is one of nearly 175 community development corporations working with and for the people of the State of Michigan. CDCs serve in a great variety of ways to improve the quality of life in Michigan. A vast majority of us are engaged in some form of housing development and/or the provision of housing support services. Among other services supplied by CDCs in Michigan are employment, economic development, child care or health services.

As the name suggests, ICCF is a faith based organization. It was founded by volunteers within one particular church and today enjoys support from a broad array of churches as well as a host of businesses, individuals and foundations. The volunteer and charitable support provided by the people of Grand Rapids is complimented by a significant variety of contracts with all levels of government. I am pleased to say that ICCF has enjoyed a strong collaborative partnership with the City of Grand Rapids for 29 years, the Michigan State Housing Development Authority for 22 years and the U.S. Department of Housing and Urban Development for 6 years.

I have a hunch that at ICCF there is one of the most effective public/private partnerships in the field of community development anywhere in the country. ICCF is very much a product of the core religious values of compassion, justice advocacy and sacrificial giving. This means that at ICCF we are not content to repair a house or build a new one. Rather our primary focus is upon the futures of those living in the housing, the stability, independence and accomplishment that all people long for. We have developed profound ways to meet a family at the place of their housing need and then support, educate and encourage them to succeed in meeting those needs. Often this housing achievement yields ambition and conviction to go on and reach new levels of broader life success.

When officials at all levels of government saw such success, they were fairly quick to recognize the leverage potential. Especially as public sector resources have declined in the past several years, it has made great sense to join with ICCF's private supporters in the joint pursuit of housing opportunity. Indeed it must be recognized that it is this very public/private collaboration that has allowed us to build very high quality energy efficient houses and deliver a rich variety of services that go a great distance to ensuring that the resident of the house will actually be able to use the house as a stepping stone toward broader life accomplishment.

Short of packing you all in a bus and taking you to Grand Rapids to meet the inspiring people in ICCF houses, the best way for you to acquire a sense for the promise of the ICCF approach is for me to introduce you to Faye Matthews:

Faye (not her real name) is a single mom with two children, ages 6 and 9. She has been employed at the same wholesale food distribution company for nearly six years. Her fairly steady raises and two minor promotions have pushed her pay up to \$11.71 an hour. With about five hours of overtime each week she earns about \$556 and takes home about \$415. After school child care, food, utilities (lights, water and telephone) clothing and car loan she has just enough to pay the rent of \$745 which includes heat. It is a very tight budget with no room for savings and if she ever has a crisis like a car repair, she is in trouble.

After hearing about ICCF through a friend at work she called and asked for an appointment. The Family and Housing Services staff quickly found Faye to be a bright and hardworking person who showed great resolve to better herself. They also worried that she

might soon break from all the pressures of providing as best as she could for her kids. Two classes, three individual counseling sessions and three months later she was enrolled in an ICCF Home Buyers Club and had started an Individual Development Account. She attended faithfully and never missed a \$20 deposit into her account. When she successfully completed the HBC classes, ICCF matched her \$240 of savings with \$720.

She then applied to the ICCF Home Ownership program. During her two year lease period she completed the additional classes on things like wall repair and painting, landscaping, parenting, time management and community relations. During the lease period her rent was \$500 and her utilities totaled an average of \$170 per month because of the energy efficiency of every ICCF house. When she purchased this beautiful house in October, 2006 ICCF returned one half of the all the rent she paid, \$6000 and the City provided a small grant. Her 30 year fixed rate loan from the Michigan State Housing Development Authority helps ensure Faye that her house will be affordable. When she compares her housing and utility costs as a renter to those as a homeowner, she beams with pride about the \$160 difference. That is \$1920 in annual post-tax earnings that stay in her pocket. Actually, because she learned about savings in an ICCF class she has begun a college savings fund for her kids!

Faye came in not knowing how to make ends meet and wondering where all the paycheck went in the middle. After 2 ½ years of hard work, she has gone out as a homeowner who is building equity and will eventually benefit from the appreciating value of her home. She now has confident control of her money. Through it all Faye is a much happier and calmer person, she has earned another small promotion at work, and she has more time for the kids. To top it all off, their report cards are steadily improving!

Each day 37 people come to work at ICCF. They arrange for the complicated and often illusive financing necessary to build high quality houses that can be afforded by low and moderate income families, or they come to build houses and finally others come to encourage, love, challenge and equip families to succeed in that housing. These three functions of finance, construction and education in turn enable us to deliver emergency shelter to homeless families, high quality and affordable permanent rental housing and home ownership opportunities. Over the years this potent package has enabled ICCF to produce 482 units of affordable housing and thousands of families that are housing savvy.

Augmenting these three types of housing, ICCF also provides a host of other housing or housing finance services:

- well over 100 Individual Development Accounts (IDAs) to its own clients and supervises four other organizations in their operation of a smaller number of accounts

- Section Eight Housing Choice Voucher rental assistance program, under contract with MSHDA

- a shared risk loan pool that enables nine area banks to come together and share the risk in the funding of mortgage loans to difficult to finance borrowers

- a home inspection service, that has the added advantage of being only such service available in Spanish in west Michigan

- foreclosure prevention counseling and advocacy before creditors

- employer assisted housing programs

a for-profit mortgage brokerage, Providence Home Mortgage, Inc., that exists to provide alternatives to predatory lenders for those with credit difficulties as well as competitive mortgage products to the general public

The poet T.S. Eliot wrote, “Home is where one starts from.” Not only do we at ICCF really believe this, we **know** it because we have seen it. When we enable a family that has endured substandard to fulfill their housing dreams we know that we are greatly enhancing the probability of many forms of life success: educational success, marriage and family stability, improved physical and emotional health, employment advances to name just a few. When such occurs is that the end of the story? No, not at all. Because when any one of these is achieved we all benefit, that is the entire community benefits. Crime decreases, tax revenue increases, health care costs decrease, economic productivity grows. Not bad you say; well friends these things are being realized each day through the work of ICCF.

Why does Grand Rapids need ICCF? Why do all the communities of our state, urban and rural alike, why do they all need Community Development Corporations? Well in response to that question the temptation might be to unload a bunch of statistics, but I promised not to do that. Instead though please hear what I think are the three fondest hopes, or the three core longings of the low and moderate income families of Michigan:

1. to have an adequate wage so as to be able to live in independence and dignity. This would also include reasonable access to affordable health care.
2. to live in housing that is safe, affordable, warm and appropriate to the size of the family. For many this would also include having access to ownership so as to be able to gain a small net worth that could assist in future economic needs.
3. to have access to good schools. Schools that will actually be a net gain for the kids. Schools that will be safe and wholesome, that will prepare their children to be responsible and productive citizens in a fast changing world.

There it is: wages, housing and education. These are the things that the people of Michigan need and these are the things that we as a people of this great state need to strive hard to deliver. While I know none of you personally, I have a strong sense that you understand these needs and in fact it is your very understanding that motivates you to serve the people of your communities through service in the legislature.

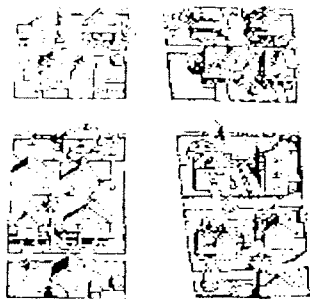
In response to the humble and reasonable hopes that I have just listed I have just six recommendations for you:

1. Mandate that the state develop an inter-departmental policy orientation toward asset building and the leveraging of resources of the limited resources that working families usually have. This would include the passage a state version of the Earned Income Tax Credit (EITC) and the development of welfare policies that are integrated with various education and micro-enterprise development initiatives.
2. Make the permanent funding of an Individual Development Accounts (IDA) matching funds program a high priority. IDAs have been proven to have extraordinary effectiveness in enabling working families to succeed at business

- start-up, post-secondary education and home ownership. The knowledge and the willingness are there, we just need to fund the program.
3. Find ways to restore at least a portion of the funding that has been denied the school districts of Michigan over the last eight years. Indeed, since 1999 the Grand Rapids Public Schools have seen cuts totaling \$60 million. But it is not just a funding matter. The state and individual communities must find ways to enhance parental engagement in the education process. Teachers cannot do it alone. Community Development Corporations might soon have to pack their bags and go elsewhere, for without quality education that prepares our children for the knowledge-based world of tomorrow, there will not be any communities to develop.
  4. Join with the federal government in a relentless search for policies that will help all Michigan citizens develop healthier life styles and will provide a reliable level of access to decent health care.
  5. Identify and adopt a mechanism for the permanent funding of the Michigan Housing and Community Development Trust Fund. It is a true delight that we have what is clearly one of the very best state housing authorities, MSHDA. But please hear me when I tell you it is a serious indignity that we are one of only 13 states that does not have a state-funded housing trust fund. There is a considerable affordable housing development capacity in Michigan; we have the ability to make a major impact upon the issues of cost, substandard physical condition and crowdedness that plague an increasing number of Michigan families. Much of that capacity is not being well used because there is insufficient funding available for the hard and soft costs of construction.
  6. Finally, please resolve to find ways to expand and enhance regional cooperation. We can no longer afford the insular policies and practices of the 19<sup>th</sup> century when the pioneer spirit helped establish Michigan as a great state. Whether it is waste water treatment, education, housing, cultural activities, public safety, or any of a dozen other public goods, Michigan must come together to jointly solve the multiple issues before us. It is both unjust and bad policy to say things like, "That's not our problem."

In conclusion let me ask you and your colleagues in both the House and the Senate to work hard to model this cooperation. Please seek every opportunity starting today to put aside partisanship. The challenges that face Michigan are no where near as big as the ambition and the tenacity of the people of this state. If you can find ways to increasingly cooperate across the aisle in both directions, then you will be setting the example that our townships villages, cities and counties need to see. We can no longer afford to take risks because we really do know and believe that all of us are committed to, in the words of the Prophet Jeremiah, "seeking the prosperity of the city (or the town or the county) for in its prosperity we too will all prosper."

Thank you very much.



## ICCF Inner City Christian Federation

*Making places to come home to.*

### A BRIEF LOOK

#### Background and Purpose

The Inner City Christian Federation (ICCF) exists to provide safe, affordable and high quality housing to persons of low and moderate income. ICCF got its start in 1974 with the rehabilitation by volunteers of one donated house. Thirty-one years later, ICCF has been involved in the production or repair of over 471 units of housing, as well as a host of related housing services.

ICCF has evolved to include three functions: housing development finance, residential construction and housing enablement services. Together these three functions enable the production of three types of housing: home ownership, permanent rental housing and emergency shelter.

#### ICCF Mission Statement

In response to God's call to justice, the Inner City Christian Federation provides housing opportunities and services that encourage family responsibility and independence, thereby helping to build stable communities.

#### ICCF Statement of Identity

The Inner City Christian Federation is a non-profit housing corporation whose leadership is motivated, and programs shaped by, the belief that all people deserve safe, clean, affordable housing; our response to God's desire that we seek justice in our communities; our grateful response to the saving love of Jesus Christ and our desire to see His love in action.

#### ICCF Corporate Values

It could be said that ICCF is not really a housing organization. Rather, ICCF is a futures organization. We say this because none of our housing development finance and none of our residential construction comes without some form of education, enablement or empowerment activities. At ICCF, we are strongly committed to the principle that housing is more than shelter. Housing is a place where life happens; it is a place where the day starts and stops. Housing is a place where relationships are formed and deepened. Housing is a place where we find safety and security; it is a refuge.

Through all of ICCF's financial, construction and enablement activities three core values are present:

**Respect:** Created in the image of God, our residents are very special people. In all of our contacts, we treat them with respect. One way of doing so is to expect from them responsibility and a commitment to personal growth.

**Opportunity:** Our residents are met "where they are" and then have the opportunity to press toward a greater housing goal.

**Beauty:** Beauty is a gift of God. It serves to enrich our lives and help instill pride and dignity. All of ICCF's houses are designed to be beautiful and blend harmoniously with surrounding structures.

#### Programs and Services

**Family Haven emergency shelter** serves up to 80 families annually. Families may stay in the five-unit emergency shelter for 30 days. During this time, they work closely with ICCF staff to identify the issues that led to their homelessness and to secure permanent housing. To date over 1,256 homeless families, including 3,242 children have been housed there.

## Inner City Christian Federation PROGRAM ACCOMPLISHMENTS TO DATE

<u>Program</u>	<u>Years of Operation</u>	<u>Units Completed</u>
<b>Emergency Shelter [total units 5]</b>		
♦ Family Haven (Serve approx. 70-80 families each year)	1990 -	5
<b>Permanent Rental Housing [total units 96]</b>		
♦ Madison Apartments	1990 -	19
♦ Pleasant Prospect Homes— Phase I	1992 -	30
♦ Pleasant Prospect Homes— Phase II	1995 -	30
♦ Scattered Site Rental Units	1995 -	17
<b>Home Ownership - Home Production [total units 354]</b>		
♦ Project Conserve	1974 - 1977	2
♦ Reconstruction for Sale	1977 - 1982	12
♦ CD/Emergency Jobs Bill House Painting (Painting of owner-occupied homes)	1983 - 1984	18
♦ CD/Emergency Jobs Bill Roofing Program (Roofing of owner-occupied homes)	1983 - 1984	61
♦ Urban Homesteading (Home ownership through sweat equity)	1983 - 1989	39
♦ Lease and Purchase (Reconstruction and new construction)	1985 -	219
♦ Moderate Rehab for Lease and Purchase	1994 - 1998	14
♦ Specials	2000 -	5

**Total Units: 471**

ICCF succeeds because of the caring partnership of individuals, businesses and churches in the Grand Rapids area. For more information contact: Daryl Vogel, Vice President of Advancement, 816 Madison Ave. S.E., Grand Rapids, MI 49507 Phone: 616-336-9333